

Western States Seismic Policy Council

Financial Policies and Procedures

Approval Date: December 7, 2017

General

1. The Board of Directors formulates financial policies, delegates administration of the financial policies to the Executive Director, and reviews operations and activities at each Board meeting.
2. The Executive Director is also the corporate Treasurer according to the ByLaws.
3. The Executive Director will maintain a current and accurate Chart of Accounts and provide a current Income/Expense statement to the Board of Directors at each Board meeting.
4. Professional financial service providers will be maintained and reviewed annually. These include QuickBooks accounting software; Paylocity for payroll services; Sutter Health Plus, ChoiceBuilder, Fidelity Security Life Insurance Company, Unum, and Ameriflex_for benefits; The Hartford for worker's comp insurance; property and liability insurance through Nonprofits Insurance Alliance of California (NIAC) obtained through brokers Anixter & Oser, Inc.; East-West Bank in San Francisco for checking, money market and CD; PayPal for merchant services; Charles Schwab for administration of SIMPLE IRA plan; Bob Cain of Layer 3 Technology for computer network maintenance; and Evelyn Cook, CPA, accountant.
5. Policies and procedures will be reviewed for adoption annually by the Board of Directors.

Cash and Check Receipts

1. WSSPC mail is picked up from our postal box and opened by the Program Manager who stamps the date of receipt on the contents.
2. Checks and cash received are recorded against an invoice prepared in QuickBooks, and one copy of the invoice is provided as a receipt to the sender.
3. Cash received is entered into QuickBooks as "Petty Cash" and placed in a locked drawer in the Executive Director's office.
4. Checks are endorsed by rubber stamp that specifies to which bank account the deposit will be made.
5. The endorsed check(s) and deposit slip will be filled out and mailed to East West Bank.
6. A second copy of the invoice, together with the check, will be held for the bank deposit confirmation. Upon receipt of the deposit confirmation, all documents will be filed in the Bank Deposits folder for that fiscal year.
7. A third copy of the invoice and check will be made for the specific income category and filed in a folder corresponding to the income category as established in the QuickBooks Chart of Accounts.

Cash and Check Disbursements Excluding Payroll

1. Authorized signers on the WSSPC bank account are the Executive Director/Treasurer, Board Chair/President, Vice Chair/Vice President and the Past Board Chair/Past President.
2. Invoices received for payment will be reviewed for conformity to the existing contracts and agreements and approved by the Executive Director.
3. Approved invoices will be entered into QuickBooks.
4. The Executive Director will prepare checks on a weekly basis.
5. A copy of each check and/or invoice will be stamped with Date Paid, Check No., and Amount and filed in reverse numerical order in the "Checks" folder.
6. The expense category corresponding to the General Ledger category will be noted on each invoice.
7. Checks written for an amount over \$5000 require approval and countersignature by a corporate officer (Board Chair/President, Vice Chair/Vice President) to be obtained and filed in the "Countersigned Checks over \$5000" folder.
8. Voided Checks will have "VOID" written across them and shall be filed in the "Voided Checks" folder. The check shall be entered in QuickBooks payable to "VOID" to retain the sequential numbering of checks.
9. Blank checks shall be kept in a locked drawer in the Executive Director's office.

Bank Reconciliations

1. Bank statements shall be opened by the Executive Director.
2. The Executive Director will reconcile the bank statements monthly, and print out a QuickBooks reconciliation for each account held.
3. The bank statements and reconciliation documents shall be attached and filed in the "Bank Statements" folder.
4. The Executive Director shall provide the Board of Directors with a statement of the balances in the bank accounts at each Board meeting.

Credit Cards

1. The Executive Director is authorized to have 2 business credit cards, one of which must have the ability to accumulate frequent flyer miles.
2. The frequent flyer miles accumulated from WSSPC purchases and business flights will be used only for WSSPC business purposes.
3. The Executive Director will keep a record of the miles that are accumulated and used for WSSPC purposes. The Executive Director will use the credit cards only for WSSPC business.
4. Credit cards shall be locked in a file drawer in the Executive Director's office when not in use.
5. The cards shall not be used over the credit limits and any balance shall be paid in full during the billing period.

Purchases

1. All purchases over \$5000 must be approved in advance by the Board Chair.
2. All purchases not accounted for in the budget must be approved in advance by the Board Chair and/or the Board of Directors.
3. Supplies ordered by the Program Manager must be approved by the Executive Director in advance.

Credit Card Merchant Services

1. The Executive Director will maintain a Merchant Services Agreement with Paypal to allow for the capability of accepting credit cards for payment.
2. The Executive Director will track the deposits made to the bank account to confirm the date and correct posting of the transaction.
3. The Executive Director will create an invoice in QuickBooks (if one has not already been created) against which the income will be applied.
4. A copy of the paid invoice will be emailed to the customer.
5. The Executive Director will reconcile the transaction with the monthly merchant services statement and the monthly bank statement.
6. The copy of the paid invoice and the settled transaction will be attached and filed in the appropriate file folder.

Payroll and Benefits

1. Each hourly employee will be responsible for completing a time sheet on a weekly basis.
2. Time sheets will be signed and submitted to the Executive Director on a weekly basis..
3. The Executive Director shall review and approve the hours worked by the hourly employees.
4. The Executive Director shall enter the hours worked on the Paylocity website (<http://www.paylocity.com>) in a timely way so that late penalties are not incurred.
5. The Executive Director shall be paid a salary bi-monthly in the amount of the annual salary divided by 24 pay periods.
6. The Executive Director shall work the full number of hours in each pay period.
7. Employees will be paid bi-monthly by Paylocity on the 5th and 20th of the month.
8. Paylocity is authorized to make three (3) checking account withdrawals for each payroll to cover (1) the net value of earnings, (2) employer and employee taxes and (3) payroll fees.
9. Paylocity will provide on their website a Payroll Summary Report itemizing the payroll earnings, deductions and fees.
10. The Executive Director will review and reconcile the invoice if needed, and enter the invoice into QuickBooks. The entry for the end of the month payroll shall be recorded with the end of the month date.

11. The payroll invoices will be filed in the "Paylocity" folder.
12. Regular Full-time employees, defined as employees who work 30 hours or more per week, will be eligible for benefits.
13. All employees are eligible for a company match to a SIMPLE IRA plan after 1 year employment, if they wish to participate in salary reductions.
14. Employer contributions to the SIMPLE IRA are made at 3% of earnings up to the maximum employee contribution allowed.
15. Employees 50 years of age or older are eligible for catch up contributions to the SIMPLE IRA and the employer match on those contributions.
16. All other benefits will be paid in accordance with the WSSPC Personnel Policies. A current copy of the WSSPC Personnel Policies is kept in the Personnel binder in the Executive Director's office and is distributed to each employee.
17. The health care rebate distributed under the provisions of the Affordable Care Act, if any, shall be returned to the health plan for which it applies in the form of a premium in the same employer/employee contribution percentages for that plan.

Travel Reimbursements

1. Each employee, Board member, and eligible Committee member (as determined by the Board) will complete an expense voucher for reimbursement for any travel on WSSPC business. The form shall state the business purpose of travel, dates, and expenses and shall be accompanied by all receipts.
2. Each new Board member shall receive a copy of the current Board Meeting Travel Reimbursement Policy.
3. Lodging for Board members will be at the government rate whenever possible.
4. Airfare will be reimbursed for economy class travel.
5. Mileage will be reimbursed at the current IRS rate as shown on the www.irs.gov website.
6. Meals will be reimbursed with documentation; per diems will not be paid.
7. Staff will be reimbursed for parking on the infrequent days they are required to stay late or perform duties outside of normal business hours.
8. The Executive Director will approve the reimbursements according to the contracts, grants, or agreements.
9. The Executive Director will prepare the check and return a copy of the reimbursement form to the payee.
10. The original reimbursement form with original receipts will be filed in the "Staff Reimbursement" or "Executive Committee Reimbursements" folder, as appropriate.
11. Expense reimbursement requests will be submitted within 60 days for payment.

Consultants and Contractors

1. Consideration will be made of internal capabilities to accomplish services before contracting for them.
2. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
3. Consultant services will be paid for as work is performed or as delineated in the contract.
4. The Board of Directors will approve audit and other significant contracts or sub-contracts.
5. The Executive Director will compile the necessary data for submitting 1099s, business property statements, and federal and state tax returns. The accountant will prepare the documents and return them to the Executive Director for review and on-time submittal.
6. An accountant will perform an annual financial review and submit a written financial report for the WSSPC fiscal year to be completed by March 1 of the following year. The report shall be given to the Board of Directors.
7. New contracts for goods and services shall be bid competitively if the cost exceeds or is expected to exceed \$5000.

Equipment

1. Equipment purchased with a cost of \$5000 or more and a useful life of more than one year will be placed into one of three Asset categories in QuickBooks: Computers, Software, or Equipment.
2. QuickBooks entries will include the purchase date, the item, and the cost of the computer hardware and software and equipment. Serial numbers, ID numbers, and warranty information for items will be kept in a separate document.
3. The original sales receipt will be placed in the folder for that item and a copy made for the appropriate Assets folder for that fiscal year.
4. When property is disposed of an entry will be made in QuickBooks.
5. Equipment purchases over \$5000 will not be charged to federal grants or cooperative agreements unless there is approval for an Equipment category in the budget.
6. A depreciation schedule will be prepared annually by the accountant for the financial statements.
7. An inventory of all assets shall be made annually and provided to the Board of Directors annually.
8. Equipment leases will be reviewed, approved and signed by the Executive Director.
9. A copy of each equipment lease will be kept on file.

Office Space Lease

1. The Executive Director will review property leases prior to submission to the Board of Directors.
2. The Board of Directors will approve the property lease and direct the Executive Director to sign the lease.
3. The Executive Director will keep a copy of the property lease on file.

Insurance

1. Reasonable, adequate coverage will be maintained to safeguard the assets of the corporation. Such coverage will include property and liability, worker's compensation, and other insurance deemed necessary and approved by the Board of Directors.
2. The Executive Director will review insurance policies before renewal to ensure adequate coverage limits.
3. If personal cars are used for company business, the Executive Director will maintain a file with a copy of the employee's current driver's license and current insurance.
4. The Executive Director will maintain insurance policies in insurance files.

Telephone Use

1. The Executive Director is authorized to have a cell phone paid by WSSPC for WSSPC business.
2. WSSPC business calls made from phones outside the office should be billed to WSSPC's telephone account.

Grants and Contracts

1. The Executive Director will carefully review each award and contract to ensure compliance with all financial and programmatic provisions.
2. The Executive Director will maintain originals of all grants and contracts in a file, including work plans, budgets, progress reports, and reimbursement submittals.
3. The Executive Director will prepare initial entries into the Chart of Accounts in QuickBooks for each grant.
4. Entries into QuickBooks for expenses charged to federal grants and cooperative agreements shall be in conformance with the most current version of 2 CFR Part 200 (OMB SuperCircular).
5. A financial audit will be subject to the provisions for non-profit organizations as contained in the most current version of 2 CFR Part 200 (OMB SuperCircular).
6. The Executive Director will include copies of all transmittals, including emails, in the file folder.
7. The Executive Director will review and approve all reports to funding sources. Copies will be given to the Board of Directors.
8. The financial status of each grant including the expenses and budget to date will be provided to the Board of Directors at each Board meeting.
9. The Executive Director will submit all financial reports in a timely manner.

Non-grant Income and Expenses

1. Non-grant related income and expenses will be separately accounted for in QuickBooks. An example of such expense is meals on business trips; an example of such income is Affiliate member fees or interest on WSSPC funds.
2. The Executive Director will report the status of WSSPC funds at each Board of Directors meeting.

Budgets

1. The Executive Director will prepare an annual budget for WSSPC, which will include all grants.
2. The Executive Director will provide the WSSPC budget to the Board of Directors, who will approve the budget.
3. Changes in the approved WSSPC portion of the budget must be approved by the Board of Directors and/or Board Chair if they exceed \$5000.
4. Changes to grant budgets must be approved by the Board of Directors if the changes exceed 10% of the total budget amount.

Personnel Files

1. The Executive Director will register each employee with Paylocity and will maintain a personnel file for each employee containing appropriate documentation.
2. The Executive Director will maintain a WSSPC Personnel Policies binder in the office.
3. Retention of personnel records shall adhere to the current schedules provided by non-profit associations' guidelines and filed in the WSSPC Personnel Policies binder.

Record Retention Policy

1. All financial records, including documentation and receipts, will be kept for at least 7 years.
2. All personal and financial data will be shredded upon disposal.